

# Committee for Justice

# OFFICIAL REPORT (Hansard)

Legal Aid and Coroners' Courts Bill

13 March 2014

### NORTHERN IRELAND ASSEMBLY

## Committee for Justice

Legal Aid and Coroners' Courts Bill

13 March 2014

#### Members present for all or part of the proceedings:

Mr Raymond McCartney (Deputy Chairperson)

Mr Sydney Anderson

Mr Stewart Dickson

Mr Tom Elliott

Mr William Humphrey

Mr Seán Lynch

Mr Alban Maginness

Ms Rosaleen McCorley

Mr Patsy McGlone

Mr Jim Wells

#### Witnesses:

Ms Carol Graham Department of Justice Mr Mark McGuckin Department of Justice

**The Deputy Chairperson:** I welcome Mr Mark McGuckin, deputy director of the Department of Justice's public legal services division, and Ms Carol Graham, the Department's Bill manager. This session will be recorded by Hansard and published on the Committee's web page. Mark has been here on a number of occasions, so he knows the format. Please make your opening remarks, after which members will ask questions.

**Mr Mark McGuckin (Department of Justice):** Thank you very much for your introduction and for the opportunity to present to the Committee today. I will keep my comments fairly brief, as the detail is in the Bill itself and its explanatory and financial memorandum.

The Committee may be aware that the Justice Minister sought the Executive's agreement for the introduction of the Legal Aid and Coroners' Courts Bill. Unfortunately, the paper has not made it onto the Executive's agenda yet. Earlier this week, the Minister wrote seeking to proceed on the urgent procedure but we have not yet had a response to that and we await the outcome. In the meantime, this briefing is being presented on that basis.

The main purpose of the Bill is to dissolve the Northern Ireland Legal Services Commission and transfer its functions and staff to an executive agency which is to be established within the Department of Justice. The Bill will also set in statute a number of safeguards to protect the independence of the individual decisions on the grant of civil legal aid.

There are several key safeguards in the Bill. The first is the designation of a civil servant as the director of legal aid casework who will be responsible for individual decisions in the award of public

funding in civil cases. In taking these decisions, the director will act independently of the Department and the Minister. The Department and the Minister may issue guidance and directions on how the director carries out his functions and any guidance and directions must be published. However, the Bill expressly provides that the Department and the Minister are prohibited from issuing guidance or direction in respect of individual decisions. The Bill imposes a duty on the Department to ensure that the director acts independently of the Department when applying any general guidance or direction to an individual case.

Secondly, the Bill contains a regulation-making power to enable the appointment of a robust and independent appeals panel to hear appeals against decisions taken by the director. This will help to ensure that there is an opportunity to challenge the decisions of the director to refuse to award funding or, indeed, further funding in an individual case. The regulations must require an appeals panel to provide written reasons for its decision on appeal. We will be supporting this with robust administrative procedures to ensure that a reasoned explanation is given for the refusal to award funding in the first place. The Bill also makes provision for the transfer of staff from the commission to the employment of the Northern Ireland Civil Service.

The main statutory provisions governing legal aid are the Legal Aid, Advice and Assistance (Northern Ireland) Order 1981 and the Access to Justice (Northern Ireland) Order 2003. The 2003 Order will, ultimately, replace the 1981 Order but, in large part, it remains uncommenced. This has been a complicating factor in bringing forward the Bill, as it is necessary to make amendments to both orders to reflect the transfer of responsibilities away from the commission to either the Department or the director of legal aid casework. Those are reflected in some of the lengthy schedules in the Bill. Therefore, the Bill makes changes to both orders to reflect the transfer of responsibilities and to support the wider legal aid reform programme.

At this point, I would like to make it very clear that the amendments to the existing legislation do not have any impact whatsoever on the parameters of those who are eligible for legal aid. In order to support the legal aid reform programme, the provisions in articles 10 to 14 and 17 to 20 of the 2003 Order regarding civil legal services will be commenced on the same date that the commission is dissolved and the agency created.

Articles 15 and 16 relate to the funding code, and we do not propose to proceed with the funding code, which was originally intended to set out the criteria for determining whether civil legal aid services should be provided in a specific case and what service was appropriate. Following extensive work and research, and taking on board experience elsewhere, we have concluded that the funding code is an overcomplicated approach that would not best serve the needs of individual legal aid clients. Consequently, the existing arrangements for the merit test remain.

The benefit of commencing civil legal services under the 2003 Order is that that legislation provides greater flexibility regarding the people eligible to receive public funding in civil cases and how that funding is delivered than is currently provided in the 1981 Order. For example, it provides for regulations that may prescribe that certain proceedings may be funded without reference to an individual's financial resources or regulations could delegate decision-making on financial eligibility to a solicitor or other provider. It helps to regularise issues such as funding for non-court-based solutions, such as mediation or telephone advice, or to enable better use of the private or voluntary sector to provide services, for example, through the Law Centre or the Housing Rights Service, which are currently enabled only by way of authorisations.

All of those provisions already exist in the 2003 Order but have not yet been commenced. In order for civil legal services to be implemented, a suite of subordinate legislation will be required. That subordinate legislation will be subject to further scrutiny by the Assembly, including the Justice Committee. Some of the legislation will involve the Assembly's affirmative resolution procedure.

Pending commencement of the provisions in articles 21 to 31 of the 2003 Order regarding criminal defence services, representation in criminal cases will continue to be provided under Part III of the 1981 Order. Accordingly, as an interim measure, the Bill will also amend Part III of the 1981 Order to replicate some of the provisions in the 2003 Order regarding the assignment of solicitors and counsel, to provide for a registration scheme and place restriction on the disclosure of information in relation to legal aid applications. The Bill will also make the Lord Chief Justice president of the Coroners' Courts and require him to appoint a presiding coroner, thus formalising his responsibilities in relation to coroners and the Coroners' Courts in line with the existing arrangements for the other judiciary and courts in Northern Ireland.

Further detail on the content of the Bill is set out in the paper and the explanatory and financial memorandum. I am happy to address any questions that the Committee might have with regard to the content of the Bill.

**The Deputy Chairperson:** Thank you very much for that, Mark. With regard to the urgent procedure, when do you expect that to be finalised so that it can be advanced?

**Mr McGuckin:** That is out of our hands. The Minister has written to the First Minister and the deputy First Minister, whom you know are out of the country at the moment, and I am not sure what the arrangements are to process it while that is happening.

Mr McCartney: It is a narrow enough one, and it would need to be as speedy as possible.

Mr McGuckin: It is, and they have been apprised of that.

**Mr McCartney:** This was one of the recommendations of the review in 2000.

Mr McGuckin: Yes, the Coroners' Courts was.

Mr McCartney: We are only doing it now. Is there any explanation for that?

**Mr McGuckin:** I think the explanation is that there was an oversight at the time. Since it was identified, this is effectively the first opportunity to remedy that.

**Mr Wells:** I am hoping that this change, which I am sure we will be supporting, is in response to the clear inadequacies in the present structures and the fact that year after year in monitoring rounds we have to find money because the Legal Services Commission has gone over budget. How will these new structures make the disbursement of legal aid more accountable to the Assembly and the Department of Justice?

**Mr McGuckin:** It is currently accountable and I am not sure that these arrangements will make it any more accountable. We hope to improve the governance of the arrangements and the process of implementing the reform programme that we are undertaking. That would bring it in closer to the Department and make the decision-making processes that much easier in terms of driving forward the reforms. It will cut out some of the governance streams and make that a much simpler process.

**Mr Wells:** Will it enable the Department to keep a much tighter watch on budget overruns and make certain that we do not have these annual further requests for more money from scarce budget allocations basically to put into the pockets of solicitors and barristers, as we have had this year?

**Mr McGuckin:** There are two aspects to that. The first is to bring the spend down within the level of the budget. Some of the other reforms that we have presented to the Committee and have progressed are intended to do that. The second element is forecasting to ensure that we have the right forecast to start with and are not hit in the middle of year with unexpected consequences. That is a major project that was initially taken forward by the Commission but was brought into the Department towards the end of last year.

We have gone a long way in developing the methodology for that new forecasting mechanism and, crucially, making the necessary connections and relationships with other parts of the criminal justice system and more widely so that we are alert at a much earlier stage to any changes that could impact on that forecast.

**Mr Wells:** Will this be simply a transfer of staff from the existing body into the new model or will a new team be recruited?

**Mr McGuckin:** This will be a transfer across of existing staff. The Bill makes provision for them to come across under TUPE, so they will transfer across into the new organisation. There will then be an opportunity to look at the management structure and how that operates as an agency within the Department.

**Mr Wells:** Will that aspect of the staff be a new team or simply a transfer across of the senior management?

**Mr McGuckin:** It is too early to say precisely what will happen, and there have been a number of changes within the top team in the organisation already. For example, the director of corporate services recently moved on to take up a new opportunity outside the Legal Services Commission. We seconded an experienced civil servant into that position to help to manage the change process. Because we are taking the steps towards the creation of the agency, we are already beginning to see new people coming into the organisation from a Civil Service background and with that experience.

**Mr Wells:** This is the third major change. Recently, it was the Law Society, then the Legal Services Commission, and it is now moving to a new body. If that does not address the fundamental problems of budgets and budget overruns, then the public, and indeed the Department of Finance, will be extremely disappointed because that is an issue that has bedevilled this organisation for many years.

**Mr McGuckin:** In of itself, it will not address the issues with forecasting the budget. It will assist that process but it has to be tied in with the wider range of reforms that are ongoing to reduce the cost in the system. It is a demand-led service in terms of legal aid and you need to continue to respond. That will be the same in the future.

**Mr Wells:** As I said to you before, the costs should be brought down to the same as every other part of the United Kingdom, a system that has worked for many years. I do not see now that we are post-Troubles why we should have a situation in Northern Ireland where it costs much more to defend most cases than in the rest of the UK. You need to be braver, and this new organisation is an opportunity to deal with that issue like-for-like. Somebody should not be paying any more in Belfast than they are in Birmingham.

**Mr McGuckin:** We will be continuing to bring forward reforms to the Committee and the Assembly as we progress this work with the Bill and the changing status of the organisation.

**Mr A Maginness:** Thank you very much for your submission. How much a year does the Legal Services Commission cost — roughly, a ballpark figure?

Mr McGuckin: The commission itself or the commission and its staff?

Mr A Maginness: The commission and its staff.

Mr McGuckin: About £7 million a year.

Mr A Maginness: About £7 million, and would you hope that you could reduce that cost?

**Mr McGuckin:** There will be some efficiencies in this exercise, as we go forward. At this stage, it would be difficult to say precisely what those will be. The commission is already looking at how it delivers its business model and at trying to improve its efficiency as well, so that we reduce the administration. A number of measures are in place to try to take that forward. For example, the commission is starting to develop the business case for a new IT-based case management system, which would benefit the administration within the commission and bring wider benefits to solicitors who have to interface and interact with the commission on an ongoing basis. Those sorts of measures should help improve efficiency. We will continue to do those when the agency is created and look for other opportunities.

Mr A Maginness: A thought comes to mind: can you, at this moment, make an application online?

Mr McGuckin: No.

Mr A Maginness: But that is the type of thing that could be done.

**Mr McGuckin:** Absolutely, and work is being done now to see whether we could bring that in in advance of the case management system.

Mr A Maginness: That would obviously improve organisation's efficiency.

Mr McGuckin: Absolutely.

**Mr A Maginness:** What you are doing, if this materialises, is transferring the commission from being an arm's-length body into being part of the Department. Leaving aside the whole issue of independence and so forth, how will that transform the workings of the commission in terms of its efficiency, productivity, and doing a better job, because it has had a very bad press over the Criminal Justice Inspection report and so forth? How is that going to —

**Mr McGuckin:** There is no single key to improving efficiency and making it work better. Creating the agency and bringing it closer to the Department allow a number of steps to be taken to look at efficiency, processes and practices within the organisation. They will come under a common set of terms and conditions of service, so, for example, there is clarity about what those are and they apply across the broader Northern Ireland Civil Service (NICS), and you do not have a small organisation trying to manage all those itself. It will allow you to draw on experience elsewhere, to second people in and to refresh, if you like, arrangements within the agency in a way that is not really possible as a non-departmental public body (NDPB). There are a range of factors there that, cumulatively, will help support improving efficiency and effectiveness.

Mr A Maginness: But simply bringing it in does not necessarily do that —

Mr McGuckin: No, absolutely —

Mr A Maginness: There is a lot of work to be done.

**Mr McGuckin:** There is a lot of work to be done. As I mentioned in response to Mr Wells's question, that was one of the reasons, when the director of corporate services moved on, that we took the opportunity to bring in somebody who has experience and a background in change management to help the organisation prepare itself for the transition to its new status and to bring the staff along. There is a significant programme of work, which Carol is also leading on, across a range of factors that will affect the way that the organisation works and the way that staff see themselves within the organisation.

**Mr A Maginness:** Just talking about staff: is one of the problems the large turnover in staff? Or is there a large turnover? I understand that there is, but —

**Mr McGuckin:** There has not necessarily been a large turnover in staff. Some staff have been there for a long time and are very experienced in legal aid requirements and so on. There is a turnover at certain levels, and that has been increasing recently. It is not necessarily one of the problems, and when we become an agency the turnover will give us the opportunity to refresh. That is one of the opportunities that we have.

Mr A Maginness: I will not press you on that point, but I have a couple of other points, Chair, if you will allow me, about the whole issue of decision-making. Obviously the Department cannot make decisions, and the commission, in its new form, will make decisions. The director of the commission will have the ultimate responsibility for doing that, and he or she will be separate from the Minister in doing that for individual applications. At first instance, I assume that the applications are made on paper or online, as the case may be, and a rejection is then subject to an appeal. Now, we have had some discussion about this in the past. The appeal is to three people, is that correct?

Mr McGuckin: That is correct.

Mr A Maginness: Are those three people lawyers and laypeople? What is the position?

**Mr McGuckin:** The position is that we are seeking to recruit a mixed group of people from which to draw the appeals panel. Each individual appeal panel will be made up of three individuals. We intend that the chair will always be a lawyer; that is one of the points that came out in the consultation. In the consultation, we had suggested that it could be a single person and not necessarily a lawyer, and we responded to the consultation. Instead of going for a single individual, we have gone for three people sitting on the panel. The chair will always be a lawyer, and depending on the make-up of the people who apply to take on this role, it could be that most appeal panels will be made up entirely of lawyers, but we would like to try to bring in experienced people who might be involved in family situations and so on, if that is at all possible. That might be a process that will take some time to work through.

**Mr A Maginness:** So, you are trying to establish some sort of balance between lay members and legal persons.

Mr McGuckin: Absolutely.

Mr A Maginness: It will be a three-person panel.

Mr McGuckin: It will be a three-person panel, with the chair always being —

**Mr A Maginness:** One further point of detail in relation to this, Chair. Will the appeal be on paper or will the appeal be in person — obviously, the solicitor or barrister making a representation to the panel?

**Mr McGuckin:** Can I answer that by taking a step back to look at the broader process? The broader process currently is that solicitors, on behalf of their clients, will make an application for legal aid. That will be considered and either rejected or accepted. If it is rejected, quite often there are reasons why — some deficiencies in the way in which the application has been made. In the current environment, quite frequently they just go straight to appeal. What we want to try to do is to introduce a much more robust system where we start in the initial adjudication of the request or the application, and we give reasons for the refusal, so that, if there are deficiencies, they can be addressed and the application resubmitted without having to go to the appeals panel. We would therefore see the number of appeals going to the panel being much reduced. Because we have been giving reasons, then, and will continue to give reasons right up to the appeal's being lodged, it will be for the solicitor involved to address the reasons for the refusal as part of the appeal. From that perspective, we envisage that most appeals could be heard on the basis of papers, but we will make provision in the regulations for the appeals panel to allow an oral hearing where that is considered appropriate.

**Mr A Maginness:** So you have a sort of filtering process: once there is a rejection, it is looked at by a panel on paper and then a decision is made — and, in extremis, there will probably be an oral hearing.

Mr McGuckin: There is the possibility of an oral hearing in appropriate circumstances.

**Mr A Maginness:** One final point, Chair, and thank you for your indulgence, about the funding code. I am not quite certain what that is all about. There is an SL1 coming to the Committee about eligibility for criminal and civil legal aid. Is that anything to do with that?

Mr McGuckin: No.

**Mr A Maginness:** That is a separate process.

Mr McGuckin: Absolutely, yes.

Mr A Maginness: OK. So the funding code is a separate procedure, which you have rejected.

**Mr McGuckin:** The funding code was an attempt to get a very detailed arrangement for how civil legal aid is awarded and the merits and so on, and it became overly complex and complicated. The paper in front of the Committee on financial eligibility is about adjusting the existing merits tests, and, as ever, those sorts of things will come before the Committee for any change.

**Mr Elliott:** Thanks very much for the presentation. Quickly explain again how it has been on the books since 2004 but is now coming forward at the speed of a train.

**Mr McGuckin:** I am not in the lead on the policy in relation to that, Mr Elliott, but my understanding is that a lot of changes were made — probably in 2000, when the review was first published — in respect of the judiciary, and this aspect was overlooked. I am not sure when it came to light, but the Lord Chief Justice raised it fairly recently, and this is the first opportunity that we have had to address it.

**Mr Elliott:** Chair, it would be useful if the Committee were to get an explanation as to why. There is probably a perfectly good explanation. It would be useful for us to know.

My second question is about the staff. We are talking about a transfer of staff from the Legal Services Commission to the new body.

Mr McGuckin: Into the Northern Ireland Civil Service, yes.

Mr Elliott: So it is just moving the deckchairs a little.

**Mr McGuckin:** I would not necessarily describe it in those terms, no. As I said to Mr Maginness, there are an awful lot of very experienced staff in the commission, and we want to put them into a slightly different environment in an agency with the governance arrangements there to support them to deliver their responsibilities effectively and efficiently.

**Mr Elliott:** You said something like there would be opportunities for personnel from a Civil Service background to go in there. Are there any opportunities for people from the private sector to go into such an organisation?

Mr McGuckin: Into an organisation such as an NDPB or an agency?

Mr Elliott: Particularly into the new agency.

**Mr McGuckin:** It depends on the nature of the staff, and the terms and conditions. There are currently a number of recruitment exercises which occur at different levels in the Civil Service, and they bring people in from the private sector at all levels of the Civil Service, from the administrative grades right up to the Senior Civil Service competition that is currently under way, which is bringing people from outside the Northern Ireland Civil Service into the organisation. There will be those types of opportunities. There are some specialist grades; for example, you find that accountants are recruited at various levels in the Civil Service and go straight into organisations such as an agency at that stage.

**Mr Elliott:** It is not just to do with this Department, but I often wonder how people who do not have a Civil Service background can actually get into the system. At least elected representatives can stand for election and either get elected or not but, in the Civil Service, it quite often seems to be a closed process with no opportunities for people who have good experience and knowledge of the wider world to be of significant assistance to that Department. I am not just referring to this Department; it is in a wider context.

**Ms McCorley:** Go raibh maith agat, a Cathaoirleach. Thanks for the presentation. In the consultation, what were the main difficulties, if there were any, expressed about the changeover?

**Mr McGuckin:** I think that the main concerns were around the appeals panel. As I said to Mr Maginness, in the original proposals that we consulted on to do with the safeguards, we suggested that the appeals panel could be limited to one person, drawn from within a number of people, sitting hearing appeals, and that that person would not necessarily always be a lawyer. We got some convincing arguments coming back to us to suggest that, for the types of decisions that were being taken, it would be appropriate that a lawyer be involved, and that it would assist if there was more than one person sitting on the panel. So, we responded to that. It is all lawyers involved in the existing panels, and they sit, largely, as a panel of five. We have brought it down to three, with the aim, if at all possible, to get some lay experience onto that panel. Essentially, it will be chaired by a lawyer, so there will still be a very legal aspect to it.

**Ms McCorley:** Are there any issues to do with the pensions of staff moving across? This subject comes up frequently. Staff in organisations are concerned that, when changes happen, their pensions will be affected. Are there any implications for pensions?

Mr McGuckin: There certainly are. The Legal Services Commission staff are currently part of the NILGOSC local government pension scheme. When they become part of the Northern Ireland Civil Service, they will become eligible to join the Northern Ireland principal Civil Service pension scheme, so they will come under the same pension scheme as civil servants. They will be given the choice, at the time that they move across, about whether they retain their existing service in the NILGOSC scheme or transfer it across to the principal Civil Service pension scheme. They will be given an awful lot of detailed information that actuaries work out in an information pack to help them to make the best

decision that meets their particular needs. I understand that, for most people, it will be attractive to make the transfer across.

Ms McCorley: So nobody will have anything forced upon them.

**Mr McGuckin:** No. The only change that will happen is that, from the point that they join the Civil Service, they will go onto the Civil Service pension scheme. How their past service is treated is where they get the opportunity to take the choices.

Ms McCorley: OK then.

**The Deputy Chairperson:** No one else is indicating. I have a couple of final questions. The timeline for this is to have it enacted for October. Is there a financial benefit to that timeline, or is it a case of getting this done as quickly as we can?

**Mr McGuckin:** The way that we are looking at it now is that it is tied up with a financial issue, and there is a cost associated with addressing the pensions issue. We currently have an arrangement that would allow that to happen within the next financial year. It would be preferable to try to get it done by 1 October.

**The Deputy Chairperson:** Is there any financial imperative to doing it, or is it that that is the best timeline possible?

Mr McGuckin: It is the best timeline that we have currently.

**The Deputy Chairperson:** The Department's briefing mentions that there was a consultation on the review of the statutory exceptional grant funding scheme.

Mr McGuckin: Yes.

**The Deputy Chairperson:** The Clerk and the Committee staff could not find any publication for us to use for scrutiny. Is there any particular reason for that?

**Mr McGuckin:** There was a consultation on the exceptional grant scheme last year. It has not come back to you yet, no. Other pressures have meant that we have set that to the side slightly. That is largely to do with the remuneration scheme in respect of that, and we will be coming to you hopefully around May with something on that. It is still on the agenda.

The Deputy Chairperson: There is no crossover with the scrutiny of this Bill.

**Mr McGuckin:** No, there should not be. This Bill will move responsibility for taking decisions on the exceptional grant scheme from the Minister to the new body. That was part of the recommendation in the access to justice review that was accepted at an early stage.

Mr A Maginness: Just a point of information arising out of Ms McCorlev's question —

The Deputy Chairperson: Go ahead.

**Mr A Maginness:** — which related to pensions. I thought that there was some dispute within the commission about pay rates. Is there any difference between Northern Ireland Civil Service pay rates and the commission's?

**Mr McGuckin:** There certainly is. We have a business case approval from the Finance Minister to bring the existing staff in the Legal Services Commission on to the Northern Ireland Civil Service pay scales, with effect from the point of devolution. We are working through the final stage of that process, which is to present the pay remits to DFP and to the Finance Minister. We hope to conclude that very shortly. We have been working quite hard on that for the past weeks. That will bring those staff directly into line with NICS pay scales and help the process of moving those across to an agency.

**Mr A Maginness:** Staff will be happy, anyway.

Mr McGuckin: I hope so. [Laughter.]

**Mr Wells:** Mr Maginness and Ms McCorley both indicated — I think Mr Maginness used the phrase "rearranging the deckchairs" —

Mr A Maginness: No, I did not. [Laughter.]

Mr Wells: Sorry, it was Mr Elliott. I apologise. It was a good one-liner.

Mr Elliott: You are all right.

Mr A Maginness: I am not into clichés. [Laughter.]

**Mr Wells:** I am sure that the 'Impartial Reporter' was tipped off about what was coming. No, but to be serious, I do not get the impression that there is the required degree of urgency in this organisation. We have already had the damning report from the auditors, who said that this organisation was completely dishevelled and was just not working at all. It was spending far too much money, budgets were completely out of line and you had to rob much-needed services in DOJ to pay for it. I do not get the impression that there is real urgency in dealing with an organisation that was not fit for purpose. The only impression I am getting is that you are simply moving it across lock, stock and barrel into a different structure, but you have not tackled the root-and-branch problems that occurred previously.

**Mr McGuckin:** As I said in response to your earlier questions, there are a number of factors involved and pieces of work going on. The actual spend has to be brought down to meet the budget, and that work, as you are well aware, is going on. Within that, we are also working with the commission to improve its procedures. As part of that process, I mentioned that the director of corporate services was one post where we have started to bring in a different perspective. We have also got a new IT manager in there. In addition, within my division, we have brought some of the experienced staff from the commission to help us inform our future policy work. So, there is an exchange going on there which is, hopefully, starting to address the issues. It certainly is not about moving deckchairs around.

**Mr Wells:** It will be very uncomfortable if, after three years of this being up and running, we are back to exactly the same problems as have bedevilled legal aid in the Province for the past dozen years.

Mr McGuckin: I will seek to avoid that on my watch.

The Deputy Chairperson: OK. Thank you very much, Mark.